

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
2000 Biennial Regulatory Review --)	CC Docket No. 00-229
Telecommunication Service Quality)	
Reporting Requirements)	

COMMENTS OF SPRINT CORPORATION

Sprint Corporation ("Sprint"), on behalf of its local and long distance divisions, submits its Comments to the Notice of Proposed Rulemaking ("NPRM") released as FCC 00-399 on November 9, 2000, in the above referenced docket.

In the Introduction portion of the NPRM, the Commission set forth three goals in initiating this proceeding: (i) reduce service quality reporting requirements in order to relieve carriers from unnecessary regulatory burdens; (ii) use the reporting requirements to produce information useful to consumers; and (iii) coordinate with the states to obtain service quality information in an effective and efficient manner.¹ Sprint concurs with the Commission's stated goals, and in these comments Sprint will focus on these goals in analyzing the issues and proposals raised in the NPRM.

**The Commission Should Have No More Than a Coordination Or Clearinghouse
Role in Local End User Service Quality Reporting.**

It is well established that local exchange service provided by incumbent local exchange carriers ("ILECs") to end users is the purview of the states.² Currently, Sprint's

¹ NPRM at paras. 2-5.

² See 47 U.S.C. §152(b).

ILECs file service quality reports with 17 of their 18 states. Therefore, ARMIS Report 43-05 constitutes an additional reporting requirement that is unnecessary and redundant. Rather than streamline its ARMIS Report on the quality of local service provided to end users, the Commission should eliminate this report in order to truly provide carriers relief from unnecessary regulation.

Although there are some similarities among the state reports, there are also a great many variations. Sprint strongly encourages the Commission and the states to pursue the goal of coordinating service quality reporting. Sprint has no objection to the Commission performing a coordination or clearinghouse role to increase regulatory efficiency for carriers. If the Commission chooses to simply streamline Report 43-05 without this coordination, the Commission's elimination of numerous requirements will have only a marginal effect in reducing regulatory burdens, because the carriers will still have to produce and file substantial and varied data required by the various state commissions.

Further, Sprint agrees that ILEC service quality reporting requirements should be customer-focused and should collect only information that is most important to consumers.³ Requiring information simply to collect data provides inadequate benefits in comparison to the regulatory burden placed on carriers. Since the consumer ultimately pays for regulatory requirements, it is only sensible that each requirement provides a benefit to the consumer, and that those requirements that do not provide corresponding benefits be eliminated.

³ *NPRM* at para. 11.

If the Commission Chooses to Retain ARMIS Report 43-05, It Should Be Limited in Scope and Required of Only the Largest Class A ILECs, Not the Mid-Sized ILECs.

Sprint supports a service quality reporting program similar to the airline industry reporting program that imposes a very limited set of customer-focused reporting requirements and is tailored to take into account carrier size.⁴ The direction that the Commission is taking in the accounting and ARMIS review docket can also serve as a model for a service quality reporting program.⁵ In the Accounting NPRM, the Commission proposed removing unnecessary Class A accounts that apply to the largest local exchange carriers (the regional Bell operating companies ("RBOCs")) and eliminating certain ARMIS reporting requirements for an expanded group of mid-sized carriers. Similarly, Sprint proposes reducing the requirements in the ARMIS 43-05 Report as set forth in Appendix B of the NPRM for the Class A carriers, and eliminating ARMIS 43-05 reporting for the mid-sized incumbent local exchange carriers, as defined in 47 CFR §32.9000, which includes carriers with aggregate revenues of less than \$7 billion. Consistent with Sprint's comments to the Accounting NPRM, if the Commission chooses to evaluate mid-sized incumbent local exchange carriers on an operating company basis, Sprint proposes raising the indexed revenue threshold, as defined in 47 CFR §32.9000, to at least \$400 million per year in order to capture the large majority of the truly mid-sized carriers as distinguished from the largest carriers. The United States Department of Transportation, Bureau of Transportation

⁴ NPRM at paras. 12-13.

⁵ In the Matter of 2000 Biennial Regulatory Review-Comprehensive Review of the Accounting Requirements and ARMIS Reporting Requirements for Incumbent Local Exchange Carriers: Phase 2 and Phase 3, CC Docket 00-199, *Notice of Proposed Rulemaking*, FCC 00-364 (rel. October 18, 2000) (the "Accounting NPRM").

Statistics, states that the airlines required to report on-time statistics account for more than 90% of domestic airline operating revenue.⁶ Sprint notes that the RBOCs account for approximately 90% of ILEC revenue. Therefore, maintaining ARMIS 43-05 Reports for the RBOCs would capture roughly the same proportion of revenue that the Department of Transportation covers by requiring service quality reporting of the largest airlines.

If Mid-Sized ILECs are Required to File ARMIS Report 43-05, the Report Should Be Streamlined Generally as Suggested By the Commission.

In the event that the Commission does not relieve the mid-sized carriers, including Sprint, of their ARMIS 43-05 reporting obligation, the remainder of these comments address proposed changes to such ARMIS Report. With respect to the specific requirements contained in the Commission's proposed ARMIS 43-05 Report as set forth in Appendix B to the NPRM, Sprint first suggests that the formula for "% Missed Installations" be clarified to reflect "# of Missed Installation Commitments/Total # of Installation Commitments." The denominator of this fraction should reflect the total number of opportunities for installations, rather than just the installations that were performed timely.

The Commission seeks comment on whether "Installation Intervals" and "Repair Intervals" should reflect the carrier's average number of days to install or repair, or whether they should reflect the percentage installed or repaired within a certain number of days.⁷ The Commission is concerned that outliers may skew an average completion time. While this is possible, percent completed within "X" days can also be skewed. If a carrier completes a

⁶ See <http://www.bts.gov/ntda/aoi/>

⁷ NPRM at paras. 18, 22.

substantial number of installations or repairs within X+1 or X+2 days, a report showing a relatively low percentage completed within X days would appear misleading. Overall, Sprint believes using the existing method of a mean average interval is best, because it takes all opportunities into account and would not require a change in methodology.

Sprint opposes adding new types of information to ARMIS Report 43-05.⁸ Such action conflicts with the Commission goal to reduce regulatory burdens on carriers.

Sprint opposes gathering service quality information on broadband and other advanced services.⁹ Advanced services purchased at the consumer's discretion, therefore, market conditions incent ILECs to provide advanced services at a level of quality sufficient to justify the price charged.

With respect to Section III.D. of the NPRM pertaining to Disaggregation of Information,¹⁰ Sprint does not oppose maintaining the distinction between business and residential customers in ARMIS Report 43-05. Sprint supports USTA's proposal that the Commission terminate the disaggregation of Metropolitan Statistical Areas ("MSAs") from Non-MSAs. Sprint agrees that prior reports indicate no significant variance in performance between these areas. Finally, Sprint files multiple reports in states where it has more than one study area. While Sprint does not currently oppose maintaining these study areas, these multiple reports will confuse consumers who are unlikely to know in which study area they reside. Therefore, it may be helpful to consumers for the Commission to require carriers to file one consolidated report per state.

⁸ See *NPRM* at para. 23

⁹ See *NPRM* at para. 26

¹⁰ *NPRM* at paras. 27-28

Section III.E. of the NPRM questions which entities should submit service quality reports.¹¹ The best guarantee of high service quality is the existence of a vibrantly competitive telecommunications marketplace. When significant competition arrives and customers have multiple choices for service providers, the market, and not regulation, should determine the level of quality and service required to meet the customers' desires. The Commission should apply the lowest degree of regulation on new entrants, because there is no need to add a regulatory burden to an entity whose presence is necessary for competition to exist. Nor should an ILEC be bound to mandatory reporting requirements if it is no longer a dominant carrier and its services are deemed truly competitive. In such a competitive marketplace, service quality must be established through customer demand.

In a dominant provider environment, regulatory oversight is needed to assure that the service provider is operating in a fair and reasonable manner. Large ILECs must submit service quality reports until they are no longer considered the dominant service provider. CLECs, on the other hand, have few customers and must provide a level of quality consistent with market demands. A CLEC that lacks a sufficient level of quality will not be successful because the end-user has the option of returning to the ILEC or possibly moving to another CLEC. Therefore, there is no need to regulate the CLEC's service quality.

The Commission seeks comment on service quality filing exemptions for ILECs based on revenue or line thresholds.¹² As discussed at pages 2-3 above, Sprint supports size exemptions, but believes such exemptions should be available to all mid-sized ILECs, not just those who meet a threshold of 1% of domestic revenues, or 2% of access lines.

¹¹ *NPRM* at paras. 29-32

¹² *NPRM* at para. 30-31

In response to issues raised in Sections III.F. through III.H., regarding Frequency of Reporting, Public Disclosure of Data and Record Retention,¹³ Sprint supports the continuation of the requirement to file annually rather than quarterly. First, the legislative mandate in Section 402(b)(2) of the Telecommunications Act of 1996 (the "96 Act") appears to clearly require the Commission to permit carriers to file ARMIS reports annually. The Commission may try to move service quality reporting out of the ARMIS umbrella, thus avoiding the Section 402(b)(2) requirement. However, such a move would not likely withstand a legal challenge, since service quality was part of ARMIS reporting at the time the 96 Act was passed, and therefore it was clearly contemplated by Congress that these reports be subject to the annual filing requirement. Second, even taking into account the reduced number of measures required by the Commission's proposed changes to ARMIS Report 43-05, Sprint still finds it less burdensome to prepare one report per year rather than four.

As stated on pages 1-2 above, Sprint does not object to the Commission acting as a clearinghouse for information. A key to meeting the goal of easing the regulatory burden on carriers is coordination between the Commission and the states so that the same information can be gathered from state to state.

Sprint supports the Commission continuing to post ARMIS information on its website. Given this central clearinghouse of information, it is not necessary to require carriers to post the same information on their websites. Finally, Sprint supports the NARUC proposal to shorten the record retention period for service quality data from four years to two years. Retaining records for two years would ease regulatory burdens without significantly jeopardizing availability of data.

¹³ *NPRM* at paras. 33-38.

Sprint supports the Commission's proposal to eliminate Table I and Table III of ARMIS Report 43-05, which covers service provided by price-cap ILECs to interexchange carriers ("IXCs").¹⁴ First, this information does not directly affect consumers, but pertains to service between carriers, and therefore does not meet the goals set forth by the Commission in revising service quality requirements. Second, IXCs receive service quality reports from ILECs, making these tables superfluous. As an ILEC, Sprint provides IXCs regular service quality reports and participates in meetings on service quality. As an IXC, Sprint does not use ARMIS Reports filed by ILECs but relies on its own reports. Thus, Tables I and III should be eliminated, because they do not provide benefits sufficient to warrant the regulatory burden necessary to create and file them.

Sprint disagrees with the Commission's assertion in paragraph 39 of the NPRM that IXCs are in a good bargaining position with ILECs. IXCs remain heavily reliant on the ILECs for access. Generally, there are no significant viable alternatives to ILEC access services and IXCs are unable to individually bargain on the price of these services. Sprint supports elimination of Tables I and III on the basis that these are inefficient, ineffective duplications of existing service monitoring tools already employed between IXCs and ILECs, not on the faulty basis of some perceived IXC bargaining power.

Sprint supports the elimination of Table IV of ARMIS Report 43-05.¹⁵ Currently Sprint reports switch outages to the IXCs, other connecting companies, and some of the state commissions. This switch outage report is accomplished either through an email or phone call in which all details regarding the outage and the affected customers are forwarded to the parties. Sprint's reports to others on this issue tend to be more detailed than is

¹⁴ *NPRM* at para. 39

currently required by Table IV. Table IV is redundant and unnecessary, and adds very little value to the consumer. Therefore, Table IV should be removed from the 43-05 requirement.

In order to achieve the goal of regulatory agency coordination to obtain service quality information in an efficient manner, the states and the Commission should agree on what information is most useful to consumers balanced against the regulatory burden of producing that information. Sprint supports the indices set forth in the Commission's proposal in Appendix B of the NPRM, rather than the numerous requirements contained in the NARUC White Paper.¹⁶ As the Commission stated in paragraph 15 of the NPRM: "Our intent is to provide customers with relevant information about services that are of particular interest to them, not to increase our reporting requirements."

The six indices proposed by the Commission represent a fair burden on the large, dominant ILECs and directly benefit consumers. The NARUC White Paper currently contains far more indices than are necessary to provide valuable information to consumers. NARUC proposes roughly twice the indices proposed by the Commission under the Installation and Trouble Reports/Repair categories. In addition, NARUC seeks rural-urban disaggregation, which the Commission is willing to forego for the reasons stated on page 5 above. Further, NARUC has Network Performance, Customer Perception and Answer Time Performance as additional categories not covered by the Commission. Agreement by these regulatory bodies on what indices are truly necessary will ease burdens on the carriers and in the end benefit consumers who ultimately pay the regulatory bill.

¹⁵ See NPRM at para. 40.

¹⁶ See NPRM at para. 44 and Appendix C.

In conclusion, the Commission should eliminate ARMIS Report 43-05, because the states are the proper entities to regulate the quality of local exchange service provided by ILECs to end users. The Commission could be helpful in providing a coordination or clearinghouse function in order to truly bring regulatory efficiency to this issue. If the Commission chooses to retain ARMIS Report 43-05, it should be limited in scope and filing should be required only by the large Class A ILECs, and not by the Mid-Sized ILECs. If Mid-Sized ILECs are required to file ARMIS Report 43-05, the report should be streamlined generally in the manner suggested by the Commission, and not as suggested by NARUC.

Respectfully submitted,

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